



# **INTERNATIONAL GROUP OF LIQUEFIED NATURAL GAS IMPORTERS**

## **BY-LAWS**

### ***ARTICLE 1***

The companies, mentioned in the appendix, willing to contribute to the development of liquefied natural gas (LNG) imports, have formed an International Group of Liquefied Natural Gas Importers (Groupe international des importateurs de gaz naturel liquéfié - G.I.G.N.L.) hereafter called "the Group".

### ***ARTICLE 2***

The Group is a non-profit organization whose objective is to establish - without interfering in the internal affairs and management of the participating companies - a means of cooperation between LNG importers. This cooperation aims at promoting the development of activities related to LNG: purchasing, importing, processing, transportation, handling, regasification and various uses of LNG. To this purpose, the Group has the vocation to provide an overview of the state-of-the art technology of the LNG industry and its general economic state, to enhance facility operations, to diversify contractual techniques, to develop positions to be taken in international agencies, and so on. The Group refrains from exchanging sensitive business information, the effect of which might either limit or distort competition among LNG importers.

### ***ARTICLE 3***

The Central Office of the Group is located 8 rue de l'Hôtel de Ville, 92200 Neuilly Sur Seine, France.

### ***ARTICLE 4***

The Group consists of full members and associate members. The Executive Committee will make a preliminary determination of the qualifications of a prospective full or associate member. If it possesses the qualifications enumerated in article 5, its application for membership will be put forward to the next General Assembly.

Any new admission must be submitted to the General Assembly and receive the approval of at least two thirds of the full members present or duly represented.

Any refusal for admission either from the Executive Committee or from the General Assembly will be notified to the applicant and duly justified.

Admission implies:

- 1) the full and complete acceptance of the articles of these by-laws,
- 2) willingness to provide to the Central Office requested company data in a timely manner for the preparation of statistical reporting and to cooperate in the study activities of the Group as requested.
- 3) payment of the subscription for the full year in which the admission is approved.

## **ARTICLE 5**

The full members of the Group are the companies which have taken part in its founding or which have subsequently joined as full members, and which have not lost such membership status in a manner stipulated in Article 6.

In order to become a **full member** of the Group, a company must meet one of the following three conditions:

- (1) be a holder of regasification rights in an LNG regasification terminal in operation, and:
  - purchase and import from a supplier, other than a producer which is a controlled affiliate, large quantities of LNG (at least ten cargoes per year), and having done so for at least three consecutive years, or
  - purchase and import from a supplier, other than a producer which is a controlled affiliate, LNG under a contract of five years or longer;
- (2) be a majority owner and/or operator of an LNG regasification terminal. In case this owner and /or operator, or its controlled affiliate, is the sole holder of the regasification rights at the LNG regasification terminal, then it must also meet the foregoing condition (1).
- (3) subject to having held an associate membership for at least three years, benefit from a special recommendation towards full membership by the Executive Committee.

In order to become an **associate member** of the Group, a company must meet one of the following two conditions:

- (1) be a holder of regasification rights in an LNG regasification terminal in operation, and:
    - purchase and import from a supplier, other than a producer which is a controlled affiliate, three LNG cargoes per year, or
    - have signed a contract of five years or longer to purchase and import LNG from a supplier, other than a producer which is a controlled affiliate.
  - (2) be a prospective majority owner and/or operator of an LNG regasification terminal for which both of the following conditions are met:
    - the construction has been approved by all relevant authorities, and
    - the construction contract has been awarded.
- In case this owner and/or operator, or its controlled affiliate, will be the sole holder of the

regasification rights at the LNG regasification terminal, then it must also meet the immediately foregoing condition (1).

For the purpose of this article:

- a “controlled affiliate” of a prospective member shall mean a company that is controlled by or that controls the prospective member and “control” shall mean the possession of the majority of the voting rights at a shareholders’ assembly.
  
- an “LNG regasification terminal” shall include the following facilities:
  - an onshore facility capable of receiving, storing and regasifying LNG and transmitting the regasified natural gas to an interconnected downstream pipeline;
  - an offshore fixed structure (gravity-based or platform-based) or floating structure capable of receiving, storing and regasifying LNG and transmitting the regasified natural gas onshore;
  - the aggregate of one or more vessels capable of storing and regasifying LNG and the landing system for the regasified natural gas, either by means of a submerged buoy or a mooring jetty.

For the avoidance of doubt, the trade of LNG cargoes at/or upstream from the unloading flange of a regasification terminal, but excluding the regasification, shall not be considered “to purchase and import LNG” for the purpose of this article.

The associate members will have the benefit of all information intended for the full members and may participate in all the activities of the Group. They may participate in the activities of the General Assembly of the Group but only in an advisory capacity and they will not have the right to vote. An associate member cannot be a member of the Executive Committee.

The full and associate members meet in the General Assembly of the Group.

Each member, whether full or associate, is physically represented by up to two persons designated by his company.

## ***ARTICLE 6***

Membership to the Group is lost:

- by resignation, which should be made by registered letter addressed to the President in charge. This resignation becomes effective at the end of the current year provided that it has been sent at least three months before the end of such year,
- by dismissal pronounced by the General Assembly of the Group by a two-third majority, for non-payment of dues or for any other serious reason.

## ***ARTICLE 7***

The Group is managed by an Executive Committee composed of 9 to 12 full members actually purchasing and importing LNG, or owning and/or operating an LNG regasification terminal, elected by the full members voting at the General Assembly. The term of office shall be for two years.

The outgoing President of G.I.I.G.N.L. becomes an ex officio member of the Executive Committee for a period of two years following the end of term of his office as President.

Within the scope defined by article 2, the Executive Committee has wide powers to run the affairs of the Group and to organize its activities.

## ***ARTICLE 8***

The Executive Committee elects a person of distinction as President. He shall hold this office in his own name and not as a representative of a member company or any other entity. He shall be subject to re-election every two years. He can be re-elected for two additional terms of two years each.

The Executive Committee may from time to time elect a former President to serve for life as Honorary President who shall, in the absence of the President or at the latter's request preside at meetings of the General Assembly and Executive Committee.

The Executive Committee shall arrange for the three regions (Europe, Asia and the Americas) to which the members principally pertain to be represented among the officers of the Group in keeping with the need thereof as judged by the Executive Committee, which may elect for that purpose no more than three Vice Presidents. Each Vice President can be re-elected for up to two additional terms of two years each. The Executive Committee may however propose to the General Assembly to waive this latter limitation. If a majority of the members present and voting at the General Assembly approve such request, said limitation shall be waived. To be eligible or re-eligible, a Vice President shall be in active service with the member company he represents; in any case, his term of office shall expire whenever the company he represents ceases to be a member of the Executive Committee.

## ***ARTICLE 9***

The Executive Committee shall meet at least once a year, or more frequently as needed, by notification and with an agenda prepared by the President and sent at least one month before the date of the meeting. The meeting shall be held at the Group's office or any other place designated by the President with the approval of the Executive Committee. The Executive Committee has the obligation to meet within a six-week period following the written request for such meeting signed by at least half of its members and addressed to the President.

Each of the members of the Executive Committee may appoint as his substitute for a meeting an employee of his company or another member of the Executive Committee who should have a proxy for that purpose. The same person cannot hold more than two proxies at a meeting of the Executive Committee.

In order for the Executive Committee to proceed validly with business at a meeting, at least half of its members must be present or represented. If this quorum is not reached, a second meeting is organized in accordance with the same procedure and with the same agenda.

During this second meeting, the Executive Committee can proceed validly with business regardless of the number of members present or duly represented.

The vote shall take place by ballot when so requested by at least two Executive Committee members.

The decisions are made by a majority of the members present or represented, the President having the deciding vote in case of a tie and provided that the vote is not secret.

## ***ARTICLE 10***

The President represents the Group, activates its work, initiates its General Assembly meetings and ensures or entrusts someone with the administration and day-to-day management of the Group, in conformity with decisions made by the Executive Committee.

The President can appoint a General Delegate, who will assist the President and shall be paid by the Group. The General Delegate shall act under the responsibility of the President, as treasurer and secretary, and more generally ensures the administration and day-to-day management of the Group, if need be, with a Deputy General Delegate whom the President shall designate.

The President sets the agenda of the General Assembly meetings during which:

- the Group accounts and the amount of the dues is approved,
- all information useful to the participants are exchanged,
- all studies on particular subjects are decided,
- reports on studies performed are presented and discussed,
- any new study or inquiry on a particular subject is suggested.

Unless otherwise stipulated in the present by-laws, all the decisions of the General Assembly are made by a simple majority of the full members present or duly represented.

The agenda must contain the applications for membership and any questions, raised in writing by those making up at least one quarter of the full membership.

The agenda shall be sent to the members at least one month in advance of the first day set for the meeting.

The frequency and the place of the General Assembly meetings are determined by the Executive Committee. They must be held at least once a-year.

The representatives of a member can be accompanied at the Executive Committee or the General Assembly by one expert (and if needed, an interpreter) selected in function of his competence on matters to be discussed at the meeting.

## ***ARTICLE 11***

In all meetings, if participants so request, interpretation will be arranged from and into the three languages selected by the Group at its constitutive meeting, that is English, French and Japanese.

## ***ARTICLE 12***

The Executive Committee will recommend each year the amount of the membership dues for the following year and determine the basis for the calculation of the dues. The total amount of these dues shall be sufficient to cover the expenses of the relevant year based on the estimates established by the Executive Committee. If the General Assembly so decide, some of the Group publications can be sold to third parties, provided that the income does not materially exceed the development and reproduction expenditures of said documents.

It is contemplated that the General Assembly meetings of the Group will be held successively in the various countries of the members. The organizational costs and the costs of holding the General Assembly meetings as well as those of the Executive Committee shall be supported by the Group. However, each member will pay the personal expenses and travel costs of his representatives.

It is also understood that the Group should not maintain any important financial asset.

## ***ARTICLE 13***

The by-laws may be changed by the General Assembly duly held provided that the proposed change is mentioned on the agenda. The changes must be approved by a vote of at least two-thirds of the members present or duly represented.

The dissolution of the Group may be decided by the same procedure; in this case, the assets of the Group will not be divided among the members but bequeathed to a similar association, selected by the General Assembly.

**CONSTITUTIVE MEETING OF 2 AND 3 DECEMBER 1971**

**Founding members:**

- Algonquin Gas Transmission Company
- Consolidated Natural Gas Service Company, Inc.
- Distrigas Corporation
- El Paso Natural Gas Company
- Lowell Gas Company
- Philadelphia Gas Works
- Public Service Electric and Gas Company
- Southern Natural Gas Company
  
- Mitsubishi Corporation
- Osaka Gas Company, Ltd.
- Sumitomo Shoji Kaisha, Ltd.
- Toho Gas Company, Ltd.
- Tokyo Electric Power Company, Inc.
- Tokyo Gas Company, Ltd.
  
- Gas Council
- Gas Natural S.A.
- Gaz de France
- Ruhrgas A.G.
- Societa Nazionale Autonoma Metanodotti (Snam)